**Practice paper 3**

**Subject Accountacy**

Class XI

Time : 3 hrs Marks: 90

General Instruction

1. This Question Paper contains two part A and B.

2. All question are compulsory.

3. Answer the question after carefully reading the text.

4. All parts of question should be attempted at one place.

**Part A Financial Accounting-I**

1. Is cash memo a source document or an accounting voucher?

2. Rent is Paid for the month of April, 2013 in March, 2013. The accounting year ended on 31st March, 2013. The accountant has shown it on the assets side of balance sheet. Is he correct? Identify the value followed by the accountant.

3. A ledger account is prepared from

(a) Journal (b) transactions (c) events

(d) None of these

4. A compound journal entry

(a) has equal habits

(b) does not require narration

(c) extends to several pages

(d) None of the above (1x4)

5. State the nature of accounting information required by

(a) Management (b) Owners (3)

6. From the following particulars, prepare a bank reconciliation statement showing the balance as per cash book on 31st December, 2013.

1. The following cheques were paid into bank in December, but were credited in January X Rs. 35,000, Y Rs. 25,000 and Z Rs. 20,000.
2. The following cheques were issued by the firm in December, but were presented in January P Rs. 40,000, Q Rs. 45,000.
3. A cheque for Rs. 10,000 which was received from a customer was entered in the bank column of the cash book in December, but was omitted to be banked in December.
4. The pass book shows a debit entry of Rs. 10,000 for bank charges and credit entry of Rs. 20,000 for interest.
5. Interest on investment Rs. 25,000 collected by bank appeared in the pass book.
6. The bank balance as per pass book was Rs. 6,20,000 on 31st December 2013.Briefly discuss the three branches of accounting ?(3)
7. Explain briefly an three advantages of double entry system of accounting ? (3)
8. Explain briefly any three advantages of double entry system (3)

9...Record the following in the appropriate book of original entry.

2013 Amt. (Rs.) 2013 Amt. (Rs.)

Aug. 1 Cash in hand 62,000 Aug. 5 Received cheque from Varun 27,000

Aug. 1 Bank overdraft 7,000 Aug. 6 Deposited Varun’s Cheque into

Aug. 3 Deposited into bank 15,000 bank

Aug. 31 Bank Charges 325 (4)

10..Rectify the following errors

1. Wages paid kfor installation of machinery Rs. 500 was posted to wages account Rs. 50.
2. Machinery purchased from Ram & Co for Rs. 10,000 on credit was entered in purchased book as Rs. 6,000 and posted there from to Ram & Co as Rs. 1,000.
3. Credit sales to Vishal Rs. 5,000 were recorded in purchase book.
4. Credit purchases from Sohan & Co for Rs. 6,000 were recorded in sales book, However, Sohan & Co was correctly credited . (4)
5. The rough book of M/s MNO & Co contains the following

2013

Dec. 1 Purchased from M/s ONG & Co on credit

5 gross pencils @ 100 per gross

1 gross register @ 200 per dozen

(-) trade discount @ 10%

Dec 2 Purchased for cash from the RST stationery mart.

10 gross exercise books @ Rs. 60 per dozen

Dec 3 Purchased computer printer for officer use from M/s office goods Co on credit for Rs. 4,000

Dec 4 Purchased on credit from the XYZ paper Co

5 reams of white paper @ Rs. 100 per ream

1. eams of ruled paper @ Rs. 65 per ream

(-) Trade discount @ 10%

Dec 5 Purchased 1 dozen ink-post @ Rs.10 each from M/s Verma Bros on credit.

Prepare the purchases book of M/s MNO & Co. (4)

1. Mr. Nanda started business as on 1st April, 2013 with a capital of 15,00,000. During the year, the following transaction took place.

Amt. (Rs.)

1. Furniture purchased for cash 2.00.000
2. Purchased goods from N on credit 2,50,000
3. Sold good (costing Rs. 1,00,000) to M for cash 1,40,000
4. Additional capital introduced 2,00,000
5. Commission received in advance 20,000
6. Paid to credit Z Rs. 2,25,000 in full settlement.
7. Sold good (costing Rs. 1,50,000) for Rs. 1,80,000 out

which Rs. 50,000 received in cash.

1. Depreciation on furniture provided @ 10% (4)
2. On 1st October, 2011 the MNP transport company purchase a truck for Rs. 40,00,00 on 1st April, 2013 this truck was involved in an accident and was completely destroyed and Rs. 30,00,000 were received form the insurance company in full settlement. On the same date another truck was purchased by the company for Rs. 50,00,000. The Company writers off 20% depreciation per annum on written down value method. Give the truck account from 2011 to 2013. (6)
3. A sell goods to B for Rs. 10,000 and draws a bill on him for the same amount for 3 months, Before the due date, B requests A to cancel the bill, to accept Rs. 3,000 as part payment and to draw a fresh bill on him for Rs. 7,200 for a further period of 2 month Rs. 200 being the interest for the extended period. A agrees to the proposal. The new bill is duly honoured. Pass the necessary journal entries and other party’s account in the books of both parties. (6)
4. (i) Briefly explain the concept based on the premise ‘do not anticipate profit but provide for all losses’.

(ii) Explain briefly ‘full disclosure’ principle of accounting ? (6)

**Part B Financial Accounting -II**

1. It is an information system the provide needed information to the managers to manage the organisation effectively?
2. System software (b) Application software

(c) MIS (d) AIS (1)

1. State the similarity between a receipt and payment account and an income an expenditure account? (1)
2. Briefly discuss any three elements/components of a computer system? (3)
3. Calculate the value of opening stock.

Amt. (Rs.) Amt. (Rs.)

Cash sales 4,00,000 Credit sales 16,50,000

Sales return (out of credit sales) 50,000 Purchases 12,40,000 Purchases return 40.000 Carriage inwards 80,000

Closing stock 3,60, 000 Rate of gross profit 40% on sale

(3)

1. Varun Malhotra Keeps incomplete records. The Statement of affairs of his business as on 1st April, 2012 was as follows

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amt. (Rs.) | Assets | Amt. (Rs.) |
| Creditors | 50,000 | Cash in hand | 4,000 |
| Capital | 7,00,000 | Cash at bank | 16,000 |
|  |  | Debtors | 1,70,000 |
|  |  | Debtors | 2,00,000 |
|  |  | Stock | 60,000 |
|  |  | Furniture | 3,00,000 |
|  | 7,50,000 |  | 7,50,000 |

His position on 31st March, 2013 was cash in hand Rs. 10,000 cash at bank Rs. 20,000, bills receivable Rs. 40,00,000, Debtors Rs. 2,10,000, Stock Rs. 3,20,000 furniture Rs. 80,000 plant and machinery Rs. 4,00,000 and creditors Rs. 1,80,000.

He withdraw during the year Rs. 3,00,000 out of which he spent Rs. 1,80,000 for purchasing a scooter for the business.

Calculate his net profit for the year after the following adjustments

1. Depreciation furniture and scooter @ 20%
2. 5% of the debtors are doubtful and Rs. 8,000 are absolutely bad.
3. Make a prevision of 5% on bills receivable also. (4)
4. (i) A Computer system possesses some characteristics which in comparison to human beings, turn out to its capabilities. Discuss any three such characteristics.

(ii) Briefly discuss management information system? (6)

22. (i) From the following items of receipt &payments a/c of young ladies club , prepare an income & expenditure a/c for the year ended 31st March 2013.

Amount

Salaries paid 50,000

Lighting & Heating 5,000

Printing & Stationary (including Rs 500 for previous year) 3,500

Subscription Received (including Rs 2000 received in advance &

Rs 5000 for previous year) 40,000

Net Proceeds of refreshment room 45,000

Miscellaneous expenses 16,000

Interest paid on loan for half year 1,200

Rent & Rates (including Rs1000 prepaid) 7,500

Locker rent received 4,500

**ADDITIONAL INFORMATION**

Subscription in areas on 31st March 2013 were Rs 8000 and half year interest on loan was also outstanding .

(ii) Give two main sources of income of non-profit organization (NPO) ? (6)

23. (i) From the following receipt &payments a/c for the year ended 31st Dec. 2013 & additional information given , prepare an income & expenditure a/c of Nariman Club for the year ended 31st March 2013.

Receipt & Payment a/c

For the year ended 31st Dec. 2013

|  |  |  |  |
| --- | --- | --- | --- |
| Receipts | Amount | Payment | Amount |
| Balance B/D |  | Salary | 1,65,000 |
| Cash 8900 |  | Billiards Table | 1,75,000 |
| Bank 70,000 | 78,900 | Office Expenses | 41,000 |
| Subscriptions | 2,22,000 | Stationary | 23,000 |
| Life Membership | 3,22,000 | Tournament Exp. | 2,05,000 |
| Tournament Fund | 2,00,000 | Furniture. Purchased | 77,000 |
| Locker Rent | 15,000 | Sports equipments purchased | 1,20,000 |
| Sale of old sports material (costing= 2200) | 25,000 | Cash in hand 6900 |  |
| Interest on F.D. | 5,000 | Cash at bank 2,20,000 | 2,26,900 |
| Legacy | 3,75,000 | F.D. (as on 1st Mar.2008 at 10% per annum) | 3,00,000 |
| Entrance Fees | 90,000 |  |  |
|  |  |  |  |
| Total | 13,32,000 | Total | 13,32,000 |

**ADDITIONAL INFORMATION**

Subscription outstsnding on 1st Jan. 2013 were Rs 1500 and on 31st Dec. 2013 were Rs. 20000 on 1st Jan. 2013 the club had building Rs. 4,00,000 & furniture Rs. 1,50,000 sports equipment Rs 1,60,000 . Charge depreciation on these items @10% including purchases during the year.

(ii) How is subscription calculated ? (8)

24. On 31st mar,2013,the following trial balance was extracted from the books of a merchant .

|  |  |  |  |
| --- | --- | --- | --- |
| Dr. balance | Amt. | Dr. balance(cont.) | Amt. |
| Drawings | 3,00,000 | advertising | 2,26,100 |
| Sundry debtors | 20,10,000 | General expenses | 3,48,900 |
| Interest on loan | ,30,000, | Bill receivable | 6,88,000 |
| Cash in hand | 2,05,000, | Credit balances |  |
| Stock on 1st apr,2012 | 6,83,900 | Capital | 28,00,000 |
| Motor vehicles | 10,00,000 | Sundry creditors | 10,40,000 |
| Cash at bank | 3,55,000 | Loan on mortgage | 9,50,000 |
| building | 12,00,000 | Provision for doubtful debts | 71,000 |
| Bad debts | 52,500 | Sales | 1,10,24,300 |
| Purchases | 66,45,800 | Purchase return | 1,34,600 |
| Sales return | 7,82,100 | Discount | 54,000 |
| Carriage outward | 2,40,400 | Bills payable | 2,61,400 |
| Carriage inward | 2,92,900 | Rent receivable | 25,000 |
| Salaries | 9,09,700 |  |  |
| Rates, taxes and insurance | 2,89,100 |  |  |

Prepare the trading and P&L a/c for the year ended 31st mar,2013 and balance sheet as at that date after making adjustments from the following matters.

1. depreciate buildings at 2.5% and motor vehicles at 20%

2.interest on loan at 6% per annum is unpaid for 6 months.

3. Salaries amounted to Rs,75,000 and rates amounted to 35,000 are outstanding.

4.Prepaid insurance amounted to 15,000

5. Provision for doubtful debts is to be maintained at 5% on sundry debtors.

6. Provision for manager ‘s commission at 10% on net profit after changing such commission.

7. Stock in hand on 31st March 2013 was valued at Rs 57,68,200 (8)